TRADE AND BUSINESS OPPORTUNITIES FOR SOUTH AFRICAN SMALL & MEDIUM ENTERPRISES (SMEs) IN UGANDA

A Market Survey Report Prepared for

South African International Business Linkages (SAIBL)

JUNE 2007, UMACIS Consulting Ltd

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LIST OF ABREVIATIONS & ACRONYMS

BUDS	-	Business Uganda Development Scheme
CET	-	Common External Tariff
CICS	-	Competitiveness and Investment Climate Strategy
COMESA	-	Common Market for Eastern & Southern Africa
EAC	-	East African Community
EACU	-	East African Customs Union
FUE	-	Federation of Uganda Employers
GDP	-	Gross Domestic Product
HDEs	-	Historically Disadvantaged Enterprises (in South Africa)
MAIF	-	Ministry of Agriculture, Animal Industry & Fisheries
MFPED	-	Ministry of Finance Planning & Economic Development
MTCS	-	Medium Term Competitiveness Strategy
MTTI	-	Ministry of Tourism Trade & Industry
NDA	-	National Drugs Authority
NGOs	-	Non Governmental Organisations
PEAP	-	Poverty Eradication Action Plan
PSFU	-	Private Sector Foundation Uganda
SADC	-	South African Development Community
SAIBL	-	South African International Business Linkages Project
SMEs	-	Small & Medium Scale Enterprises
UBOS	-	Uganda Bureau of Statistics
UEPB	-	Uganda Export Promotion Board
UFPEA	-	Uganda Fish Processors & Exporters Association
UIA	-	Uganda Investment Authority
UIP	-	Uganda Integrated Programme
UMA	-	Uganda Manufacturers Association
UNBS	-	Uganda National Bureau of Standards
URA	-	Uganda Revenue Authority
USAID	-	United States Agency for International Development
USBA	-	Uganda – South Africa Business Association
USSIA	-	Uganda Small Scale Industries Association

EXECUTIVE SUMMARY

The market research findings indicate that Uganda's economy presents significant trade and investment opportunities for South Africa's Highly Disadvantages Enterprises (HDEs) intending to do business in Uganda. Uganda has registered strong and sustained economic growth averaging 6% over the last 15 years. This strong performance has created significant trade and investment opportunities for both local and foreign investors in all sectors of the economy including, agriculture, industry, mining and the services sector.

The research findings further indicate that the local business community is increasingly looking at South Africa as a reliable source of raw materials, capital equipment & spare parts, technical & managerial know how and other products and services. While large South African owned enterprises, including Nile Breweries, Shoprite Checkers, Game Store, and other, have been the main beneficiaries of the fast growing trade and investment relationship with South Africa, research findings indicate that there exists excellent opportunities for greater HDE participation.

Key findings from the study:

- **Uganda is a fast growing regional distribution hub for manufactured products.** Apart from Kenya and Tanzania, the main regional markets include Southern Sudan, DRC, Rwanda and Burundi. Key products traded include construction materials, sugar, beverages and other fast moving consumer items.

- **Import trade with South Africa has more than doubled in value over the last 5 years.** This growth is likely to accelerate over the coming years as more local enterprises look to South African for the supply of capital equipment & spare parts, raw materials and technical know how.

- **There is a big and growing trade imbalance between Uganda and South Africa which threatens sustainable business and trade relationships between the two countries.** Both the Ministry of Tourism, Trade and Industry and Uganda Investment Authority are extremely concerned about this imbalance. Concern was also expressed by all the business associations interviewed.

- **Most enterprises interviewed (80 %) indicated that transportation services between Kampala and Mombasa are costly and relatively inefficient.** Transportation of goods from Mombasa port, Uganda's main international trade gateway, is therefore a significant cost factor for businesses.

- **Most respondents (70 %) are happy with the import trade procedures and processes.** They indicated that import trade regime is relatively well regulated and Uganda compares favourably with its regional counterparts in this area.

- **There is growing confidence in South Africa as the supplier of first choice.** The majority of all enterprises interviewed (58 %) are looking beyond an import supply relationship with their South African counterparts. 67% are either in joint venture partnerships with South African enterprises or would like to enter into similar business relationships.

- **However, there is a perception that many South African businesses are not responsive enough when contacted for business.** Many South African enterprises, including SMEs, show a take it or leave it attitude when approached for business, especially by small Ugandan SMEs. This view was confirmed by 3 of the 5 associations interviewed.

- **There were some marginal concerns expressed about the high costs and logistical shortcomings with regard to importation from South Africa.** However, this was not widely shared among the respondents.

- **All government agencies interviewed strongly recognise the pivotal role MSEs play in job and wealth creation.** Government is developing a new SME policy. Two Associations, Private Sector Foundation Uganda and Enterprise Uganda, are implementing major SME strengthening programmes.

- **Major business environment challenges identified include the energy sector crisis, inadequate access to affordable finance and a weak regulatory environment.**

- **Existing providers of SME strengthening initiatives including Enterprise Uganda, and the Private Sector Foundation Uganda - BUDS Programme, Uganda Integrated Programme(UIP)[1], offer strong opportunities for HDEs promotion.** The SAIBL trade team could interact with these Programmes as part of its follow-up.

- **All associations and government agencies interviewed welcome the proposed HDE initiative.** They expect the initiative to benefit individual enterprises and the entire economy. However, further information was sought with regard to the scope and level of support the South African International Business Linkages Project plans to put into this initiative.

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[1] The Uganda Integrated Programme (UIP) is a joint venture between the Government of Uganda and United Nations Industrial Development Organisation (UNIDO). Its main objective is to enhance competitiveness and sustainability of industrial development in Uganda with particular emphasis on agro-industries and micro and small scale enterprises. More information on the Programme available on http://www.mtti.go.ug/uip.php

1. INTRODUCTION

The South African International Business Linkages (SAIBL) project is a small and medium enterprise (SME) sector support programme funded by the United States Agency for International Development (USAID) and managed by the Corporate Council on Africa (CCA) in partnership with ECI*Africa* Consulting. The programme which began in 1998 aims to assist South Africa's Historically Disadvantaged Enterprises (HDEs) by promoting commercially viable business relations with domestic and international firms.

Under the regional TRADE component of SAIBL that began as a pilot in 2002, the Project aims to stimulate and increase the number of South African SME exporters and export trade. Initially focusing on promoting South African SME product exports in three countries (Botswana, Tanzania and Zambia), this has expanded to all SADC countries.

The principal strategy and methodology of support from SAIBL TRADE is a realistic and demand-driven approach to identifying, facilitating, and ultimately fostering commercially viable cross border business transactions through:

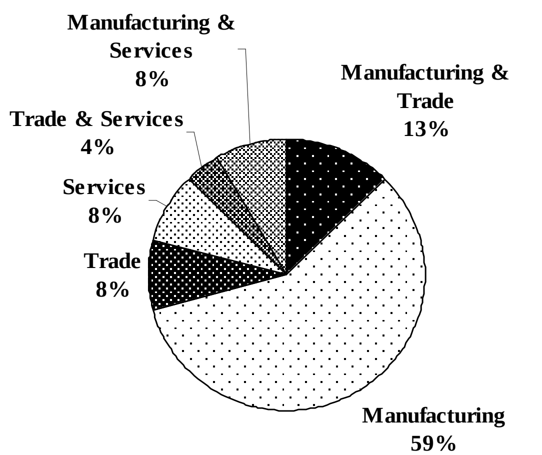
- Export readiness assessment
- Matchmaking and facilitation
- Trade missions and shows
- Aftercare.

1.1 Researching Market & Investment Opportunities in Uganda

UMACIS consulting was contracted to undertake market research to identify and assess market and investment opportunities for South African small and medium enterprises in Uganda. This study has been designed to focus on identifying current, emerging trade and investment opportunities for South African HDEs. This included profiling the main sectors of the economy, identification of key growth sectors and the goods and services imported into Uganda over the last 5 years. In addition, the study identifies import regulations, procedures, and contacts for doing business in Uganda.

1.2 Methodology

Fig. 1 Type of Businesses Surveyed

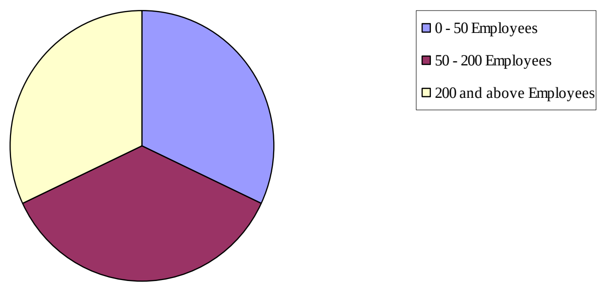


Data collection was done through interviews with chief executives and senior managers of 25 import, retail and wholesale business enterprises. In identifying the sample, particular attention was given to ensuring inclusion of leading importers from South Africa. As in initial step, secondary materials were reviewed in order to identify sectors with growth potential and opportunities for South African small and medium enterprises. We were able to analyse, over a five-year period, the different sectors and in particular their growth patterns in order to show the performance of the different sectors and establish the existing and potential demand of the products from South Africa. We visited key government ministries, agencies and institutions promoting and facilitating trade and investment and also interviewed all leading business associations.

1.3 Scope and limitations of the study

The market survey has the following limitations which are beyond the preview of the research team.

Fig 2: Size of Businesses Surveyed

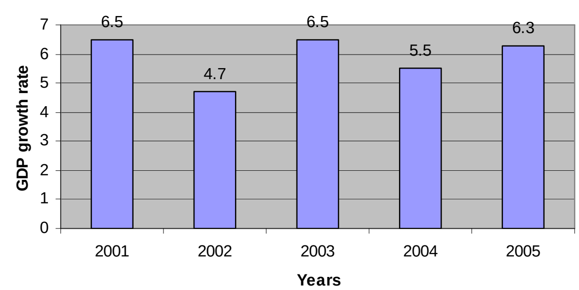


- The small sample size with regard to the number of business enterprises interviewed placed significant limitations on the quantitative dimensions of the research. As a result, most of the analysis undertaken has tended to be qualitative.
- Derived statistics are extracted from secondary sources. This implies that the ratios quoted in the study may have computation errors and other normal deficiencies associated with derived statistics.
- A number of large importers were evasive with regard to providing certain types of information, especially on the value and range of imports from South Africa. This limited our capacity to pinpoint with some level of accuracy, the size on their import operations.

2.0 BACKGROUND

Uganda's economy has grown on a sustained basis for the last two decades. Annual GDP growth has averaged over 5 % over the last 15 years. Government has maintained macro economic stability with inflation maintained below 5% per annum over this period. As a result, the country has been significantly successful in mobilizing both foreign and domestic investment. Private sector investment as a percentage of GDP increased from 12.2% in 2000/01 to 16.9% in 2003/04 and to 17.9% in 2005/06. Foreign direct investment has grown from $ 134m in 200/01 to $ 214m in 2003/04 to $ 275m in 2005/06. Uganda has achieved significant exports diversification and export earnings have significantly increased. However, a substantial and unsustainable trade gap has emerged with the value of imports far outstripping export earnings. Another significant development is that better economic growth performance has been achieved against a backdrop if an expanding external debt, the energy crisis and growing pressure on the environment.

Fig: 3 GDP Growth 2001 - 2005



2.1 The Changing structure of Uganda's Economy

Government economic policies are geared towards enhancing the pace of structural transformation. As a consequence, Uganda is achieving economic structural transformation albeit at a slow pace. The structure of the Uganda's economy is gradually changing with services and manufacturing expanding and agriculture declining as illustrated in figures 4 and 5. In FY 2000/01, services contributed 41% to GDP while industry and agriculture contributed 19% & 40% percent respectively. By FY 2005/06, the share of industry and services had increased to 21% & 45% respectively while agriculture was down to 34%. All Government ministries, agencies and business associations interviewed expect this trend to continue.

Fig. 4 Structure of the Economy in FY 2000/01

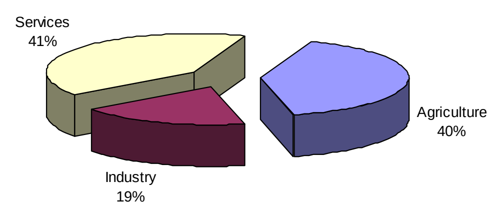
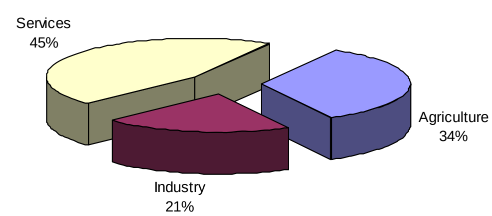


Fig. 5 Structure of Ugandas Economy in 2005/06



2.2 Investor friendly policies

The country's economic regeneration has been driven by investor friendly policies pursued by Government and geared towards promotion and strengthening the private sector led development. Uganda's macro economic policies have distinguished the country as the pace setter in the region. These include, sound macro economic policies. Uganda has abolished all foreign exchange controls enabling international and local businesses to purchase and exchange foreign currencies without restrictions. Currency rates are market determined and businesses are free to maintain foreign bank accounts inside or outside Uganda. Interest rates have been liberalised and the regulatory framework strengthened. Uganda has continued to improve its economic performance despite a recent slow down occasioned by the severe power crisis which has adversely affected all sub-sectors of the economy, especially the industrial and services sector.

2.3 Growing Impact of East African Regional Integration

All respondents interviewed expect East African regional integration initiatives to exert a stronger influence on Uganda's future trade and investment prospects. The East African Customs Union (EACU), launched by Uganda Kenya and Tanzania in January 2005, has a market of over 90 million people and total GDP of $ 30 billion. Intra-community tariffs are progressively being reduced and a single East African currency is planned by the end of 2009. The community has ushered in a dynamic trade regime characterised by: (i) a common external tariff on all goods imported into the region; (ii) zero rates on most of the goods originating and traded within East Africa; (iii) zero tariff on most of the capital goods, agricultural inputs, medicines and medical equipment, raw materials and chemicals; (iv) reduction to zero duty rates within 5 years on some goods from EAC partner states imported into Kenya; and (v) tax incentives for producers of goods for exports through various export schemes covering export processing zones, free trade zones, manufacturing under bond, duty drawback for manufacturers of goods for export, and inward processing.

2.4 Cost of doing business still high

It is conceivable that the country's economic growth rates could have been much higher had it not been for a number of significant constraints the business and investment climate. These challenges have resulted in escalating business costs and the deteriorating quality of infrastructure and utility services. Key constraints include a weak regulatory environment and poor physical infrastructure, including transport, communications and energy. In addition, the financial sector remains weak and unable to efficiently supply affordable credit to key productive sectors of the economy. Among all these challenges, the impact of the current energy crisis stands out. Uganda has experienced a 70% reduction in hydro power over a two year period. As a short term measure, Government has resorted to emergency thermal power generation and as a consequence, power tariffs for commercial and industrial users have more than doubled over a 2 year period. The relatively high cost of doing business in Uganda is considered a significant barrier to accelerated investment. Table 1 compares a number of procedural requirements for doing business, in Kenya, Uganda, Tanzania and South Africa.

Table 1: Cost of Doing Business in East Africa & South Africa

Doing Business Ranking Index	Uganda	S. Africa	Kenya	Tanzania
Ease of doing business	107	29	83	142
Starting a business	107	57	111	127
Dealing with licenses	110	45	24	172
Registering Property	166	69	115	157
Getting credit	159	33	33	117
Employing workers	8	87	68	143
Paying taxes	43	74	126	113
Closing business	44	65	128	105
Trading across borders	160	67	145	67

Source: Doing Business 2006, World Bank

3.0 KEY GROWTH AREAS OF THE ECONOMY

3.1 Agriculture

Uganda is predominantly an agricultural based economy although the contribution of agriculture to total GDP has been declining over the years. The Agricultural sectors contribution to GDP has declined from 40.8% in 2000/01 to 35.6 % in 2004/05 and 34% 2005/6. This reflects a slow but steady structural transformation of the economy. The agricultural sector employs 80% of the total population, mostly living in rural areas, and is the back borne of both the industry and services sectors. Growth in agricultural sector GDP declined from 4.6% in 2000/01 to 1.6% in 2003/04 to 0.4% in the year 2005/06. Food crops account for 65 percent of the agricultural output while more than 20 percent is from livestock. In 2005, traditional export crops (coffee cotton tea tobacco) contributed about 40 percent of the country's total merchandise exports and non-traditional crops (fish and cut flowers) about 21 percent.

Deus Muhwezi, Assistant Commissioner, Agri-business, Ministry of Agriculture, Animal Industry and Fisheries (MAIF).

"Despite the big potential, we have made little progress in exporting agricultural products to South Africa. There are many South African products on the local market but hardly any of our products on the South African Market. This trade imbalance poses a major challenge to sustainable trade and investment relations between Uganda and South Africa"

Uganda's economic success and the limitations it faces have been a result of the dynamics relating to the primary commodity sector. The country's agricultural production, agro processing and export diversification efforts are yielding positive results with a steadily widening range of export commodities. However, this positive trend has not matched the country's growing appetite for imported products and services hence the big and growing trade imbalance.

On the basis of the HDE profile made available by SAIBL, opportunities to trade and do business with the agricultural sector exist in a number of areas identified in Table 2:

Table 2: Opportunities for supplying the agricultural sector

- Agricultural chemicals, pesticides, herbicides, fertilizers, and others.
- Agricultural machinery, tools, vehicles & spare parts and small scale agricultural processing equipment for sub-sectors including coffee, cotton, tea, oil seeds, and others.
- Tree nuts processing and marketing.
- Materials for the construction of green houses, irrigation systems and equipment for the floricultural sub-sector.
- Fish farming inputs & processing equipment, advisory services and fish packaging materials.
- Animal drugs and animal breeding stock.
- Crop improvement technology, improved seeds (excluding GMOs).
- Product quality assessment and certification services.
- Laboratory testing services, materials and equipment.
- Agricultural advisory and agricultural training services.
- Providing of agricultural study tour services targeting South Africa and other countries in the region.
- Packaging materials for agricultural produce.
- Commodity brokerage services.

3.2 Industry

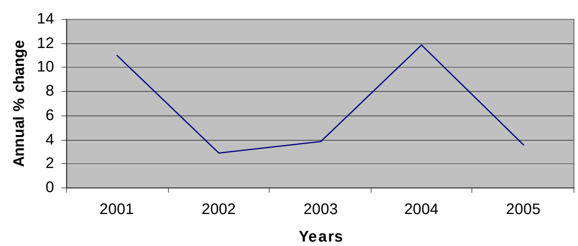
Uganda's industrial sector is small but growing steadily and contributed 20.5 % to the GDP in 2005/06. However, growth in formal manufacturing has been severely impacted by a power supply crisis that has affected the country over the last 3 years. According both to the Uganda Manufacturers Association and the Uganda Small Scale Industries Association, most manufacturers have either been forced to reduce their output or to continue producing at a higher cost and low value added by the use of standby generators. As a result output in key sub-sectors of the formal manufacturing sector has declined over the last 3 years as illustrated in Table 2. Nevertheless, the overall industrial growth trend remains positive and government is moving aggressively to resolve the energy crisis. The best performing products in the formal manufacturing sector include: (i) fish (ii) sugar and jaggery; (iii) grain milling; (iv) soft drinks; (v) cotton ginning; (vi) paint; (vii) cement and lime; (viii) roofing products; and (ix) plastics.

Table 3: Index of Industrial Production

Product Group	2001	2003	2005
Food Processing	131.9	136.4	123.8
Drinks and Tobacco	119	137.3	179.2
Textile clothing and footwear	166.3	207.4	249
Paper & Printing	183.8	192	182.8
Chemicals, paint & soap	132.8	150.7	183.1
Bricks & Cement	148.6	158.5	200.1
Metal products (incl. roofing materials)	204.9	178.6	302.2
Miscellaneous (vehicle parts, plastics, electrical goods)	103.7	151.6	179.6

Source: UBOS (Base 1997/98 =100)

Fig 6: Annual Change in the Index of industrial Production (2001-2005)



The mining sector is receiving increasing attention from both local and international investors. The recent discovery of petroleum in western Uganda has catalysed investor interest in the sector. Potential growth areas include; cobalt, limestone, phosphates, gold, kaolin, and many others.

Trade and business opportunities for South African SMEs in Uganda's industry and mining sectors are itemised in Table 4.

Table 4: Trade opportunities in the industry and mining sectors

- Materials for the manufacture of footwear e.g. soles, uppers etc
- Plastics making equipment including injection equipment, moulds, spare parts, raw materials.
- Foam industry raw materials including polyol, silicone oil, etc.
- Supply of aluminum ingots.
- Industrial safety wear and equipment including dust masks, boots, caps, etc.
- Supply and servicing of small power generators, electricity distribution panels and panel making accessories.
- Industrial bearings, seals, spacers & couplings.
- Food processing technology, equipment, raw materials including sausage casings, yeast, sugar.
- Raw materials for personal care industry including, petroleum jerry, white oil, waxes, fragrances, talcum powder,
- Raw materials for the manufacture of detergents and soaps.
- Packaging equipment, spares, materials e.g. kraft liner, starch.
- Raw materials for the pharmaceutical industry.
- Spares for cotton ginneries and coffee processing factories.
- Materials for the paints industry including resins.
- Mining tools and equipment, mineral prospecting services.

3.3 Services and other areas

Services constitute the most dynamic growth sector in Uganda's economy. The sector's contribution to GDP increased from 40.6% in 2000/01 to 43.8% in 2004/05 and 45.5% in 2005/06. The sector grew by 8.7 % and 9.2 % during FY 2004/05 and 2005/06 respectively. Transport and communications remains the fastest growing sub-sector in the economy and grew by 20.7% in 2005/06. The fast growth rate registered by the sub-sector continues to be driven by telecommunications which grew at an estimated 31.7 % in 2005/06.

Air transport and support services have registered substantial growth over the last 5 years. Export and import cargo handled by Entebbe International Airport, Uganda's main air transport gateway, increased substantially from 37,607 tones in 2001 to 53,077 tones in 2005. However, this positive trend contrasts sharply with the decline in rail cargo services. International trade cargo handled by the railways declined from 856,000 tones in 2001 to 755,000 in 2005. In 2006 only 10 % of all cargo was handled by railways having dropped from 49% in 1998. However, the recent joint concessioning of Uganda and Kenya railway systems to a private operator is expected to reverse this trend.

Although the whole sale and retail trade has been negatively impacted by the energy crisis and reduced manufacturing activity, the sub-sector continues to register a relatively strong performance and grew by 9.1% and 4.1 % in 2004/05 and 2005/06 respectively. Tourism is another sub-sector that has contributed strongly to the growth of the national economy. It contributes nearly 25% of Uganda's total export earnings and employs an estimated 70,000 workers, or 16% of the total employed workforce.
The services sector provides a wide range of trading and business opportunities as illustrated in Table 5.

Table 5: Trade and business opportunities in the services sector

- Supply of leather goods, including footwear, handbags, handicrafts, etc.
- Supply of processed food products to supermarkets and other major distributors.
- Vehicles & spares, tyres, locomotive equipment.
- Electrical equipment, generators, and servicing.
- Medical drugs, products, laboratory equipment and consumables.
- Signs and decors, advertising and promotion.
- Security equipment including scanners, car alarm & tracker equipment, CCTV, providing security solutions.
- Packaging products including plastic bottles, caps and bags.
- Textiles and garments.
- Publishing, graphic design & printing, printing ink, paper, flexo packaging.
- Computer equipment and services, supply & repair of communications equipment including mobile phone handsets.
- Satellite TV equipment including dishes.
- Financial services including micro finance.
- Business development and advisory services.
- Hire purchase services.
- Tourism promotion services (especially focusing on Uganda – South Africa market).
- Construction materials including steel materials, wall panelling, curtain walling, laminated board, glass,etc.
- Wines.

4.0 SMALL SCALE ENTERPRISES IN UGANDA

Government policy emphasizes the role of SMEs in poverty eradication, particularly employment and income generation. Uganda has a large small and medium enterprise sector estimated to contribute 90% of total non-farm employment in the economy. It is estimated that the SME sector employs approximately 1.5 million people with an annual growth of 20%.[2] The SME sector faces numerous constraints at institutional, firm and policy levels. The legal and regulatory environment for SMEs is not conducive for the sustainable development of the sector[3]. It is only now that Government is developing a comprehensive national SME policy. It should be noted, however, that the Government has introduced a number of reforms to address SME constraints including, improved access to micro finance, support for the establishment of SME industrial parks, improved access to commercial justice, and improved business registration and licensing.

4.1 Size and distribution of the SMEs

SMES represents a significant economic sector and source of employment. By the end of the 1990's it was estimated that there were more than 800,000 SMEs operating in the country. According to the Uganda Small Scale Industries Association, SMEs are spread across all sub-sectors of the economy with the majority operating in the informal sector. Many SME are operated by women entrepreneurs especially in food processing, textiles and clothing manufacturing and handicrafts.

4.2 Production environment for SMEs

All business Associations interviewed indicated that the production environment for SMEs in Uganda remains challenging. The regulatory burden on SMEs is high and requirements for business registration and licensing arrangements are cumbersome for many SMEs. In light of the current energy crisis SMEs are resorting to small power generators, expensive power back up systems and solar energy to keep them going. This is costly and a strong burden on their operations. Another infrastructural limitation for SMEs, especially those in manufacturing, is lack of access to suitable land, inadequate building for business activities and telecommunications services. Financial products and financial intermediaries for SMEs are very limited. Credit for SMEs is usually short-term credit obtained through organizations offering micro-finance. The commercial banking sector is often reluctant to provide investment financing to SMEs because of their high-risk profiles and lack of collateral. In addition, the existing financial services do not have the capacity to effectively deliver investment financing to SMEs throughout the country.

4.3 SME Support initiatives

Enterprise Uganda[4] and the Private Sector Foundation Uganda (PSFU) are among the providers of SME strengthening initiatives. PSFU runs a business strengthening matching grant scheme mostly targeting small businesses. Enterprise Uganda offers a wide range of business support services including, entrepreneurship training, business health check, opportunity identification, counselling, advisory services, business and corporate plans, credit facilitation and others.

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[2] UNIDO, Review of the Legal and Regulatory Framework Affecting Small Enterprises,1999

[3] Micro and Small Enterprise Policy Unit (MFPED) – Policy Paper on the Development of Micro and Small Enterprises - MOFPED has acknowledged that the existing legal and regulatory framework in which SMEs operate is not conducive to their sustained development.

[4] Enterprise Uganda was established under the framework of the UNDP Enterprise Africa regional initiative. A consortium of local and international donors including Uganda, UNCTAD and the Government of Uganda, is promoting it.

5.0 IMPORTS OF PRODUCTS AND SERVICES (2001-2006)

Over the period 2001 – 2006, imports grew by an impressive 39% with the import bill increasing from 1 billion to 2.5 billion US dollars over the same period. This impressive growth in imports, fuelled by a fast growing economy, has unfortunately not been marched by similar export performance leading to a growing balance of trade deficit which stood at 1.2 billion dollars in 2005.

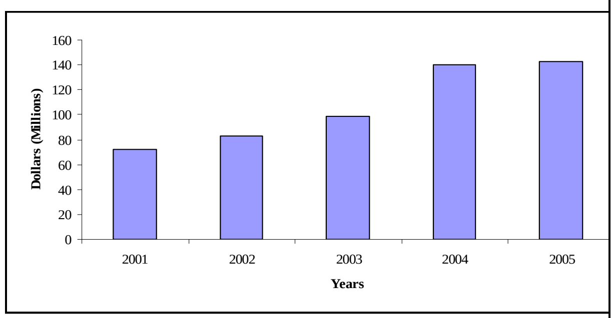
Growth in imports would be desirable and sustainable if most of the imports are used as inputs into the production process. However, most of the imports are consumables rather that industrial or production inputs. Uganda's leading import commodity for the years 2003, 2004 and 2005 was petroleum, petroleum products and related materials valued at US $ 187.3m, US $ 217.8m, and US $ 343.2 respectively. Other major imports were road vehicles, including air cushioned vehicles at US $ 115.1, US $144.7, and US $ 192.2 for the respective years; cereals and cereal preparations at US $ 106.7, US 134.4, and US $ 141.2 for the same respective years.

Table 6: Sources and Value of Uganda's Imports

Region /Country	2001	2002	2003	2004	2005
COMESA countries	295	337	339	434	565
South Africa	72	83	99	140	143
Other Africa	10	1	2	20	34
Asia	259	292	382	501	540
European Union	198	183	243	314	387
Other European countries	34	27	24	15	21
Middle East	69	73	101	118	206
North America	38	43	88	122	105
South America	7	2	5	26	31
Rest of the world	20	27	38	34	17

Source: UBOS, ITC/UNCTAD/WTO

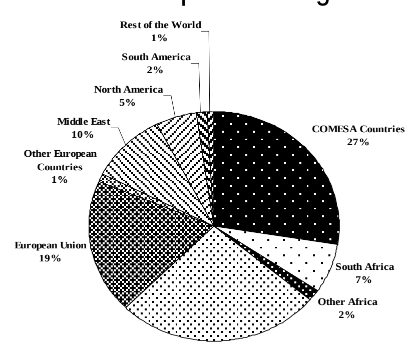
Fig 7: Growth of Imports from South Africa



5.1 Main Sources of imports

Africa remains the main source of Uganda's imports and supplied imports worth US $ 742.9 million in 2005 (36.2 % to the total import bill). Among African countries, South Africa is the second most important source of imports after Kenya and supplied imports worth US $ 72m, US $ 99m and US $156m in 2001, 2003 and 2006 respectively. In 2006 imports from South Africa accounted for 6% of Uganda's total import bill. Table 3 shows main import sources over the period 2001 – 2005. The COMESA region remains the main source of Uganda's imports accounting for a total of 27.5%

Fig.8: Source of imports into Uganda in 2006



5.2 Types and value of Imports

The country's import bill has substantially increased since 2001. The import bill has grown from US $ 1,006 in 2001 to US $ 2,557 in 2006.[5] Imports increased by 6.7 percent, 28.1 percent, 25.5 percent, and 19 percent in 2002, 2003, 2004 and 2005 respectively. In 2006, the main import categories were petroleum products, motor vehicles, telecommunications equipment, cereals, iron & steel, machinery, medical & pharmaceutical products, plastic products, paper and paper products, vegetable oil and fats. South Africa is a growing source of imports into Uganda as illustrated in Fig 7.

5.3 Imports from South Africa

South Africa supplied over 750 import products in 2006 worth $156 million. The main product categories included steel products for the construction industry, motor vehicles for transportation of goods, sugar, printed materials including printed photographs, and others. Table 4 shows the top 30 products, by value, imported from South Africa in 2006. The survey of the import market indicates that the bulk of import trade with South Africa is concentrated in the hands of few large importers.

Table 7: Top 30 Imports from South Africa in 2006 (US$m)

Product	Value
Hot-rolled iron or non-alloy steel >=600mm wide	26.2
Motor vehicles for the transport of goods	10.6
Sugar	7.6
Printed matter, including printed pictures and photographs	7.1
Iron/steel bars, hot-rolled coils	6.9
Paper - uncoated	3.9
Unwrought zinc	3.8
Wood (Electric poles)	3.5
Iron/steel bars and rods - uncoiled	3.2
Iron or non-alloy steel - angles, sections	2.7
Radio-communication/television transmission apparatus	2.5
Motorized tanks and fighting vehicles	2.2
Iron/steel structures, plates, rods etc	2.1
Plastic raw materials	2.0
Coal & solid fuels manufactured from coal	1.9
Insecticides, rodenticides - for retail sale	1.9
Pharmaceutical products	1.8
Telephone equipment	1.7
Wire of iron or non-alloy steel	1.5
Titanium oxides	1.4
Motor cars, motor vehicles for the transport of persons	1.3
Newsprint, in rolls or sheets	1.3
Electrical apparatus for switching, Electrical circuits, >1000v	1.1
Automatic data processing machines, magnetic readers,	1.1
Flat-rolled products of stainless steel, >=600mm wide	1.0
New pneumatic tyres, of rubber	0.997
Gas, liquid or electricity supply or production meters	0.983
Parts and accessories of the motor vehicles	0.978
Electrical transformers, static converters and inductors	0.936
Petroleum jelly; paraffin wax and other mineral waxes, etc	0.918

Source: UBOS

5.4 Increasing Trade Imbalance

Bilateral trade is heavily skewed in favour of South Africa. The trade imbalance between is becoming an increasing source of concern for the Government of Uganda. While Uganda imported South African goods and services worth $ 143 million in 2005, its exports to South Africa amounted to $ 9.7 million. Senior officials from the Ministry of Tourism, Trade & Industry who were interviewed expressed the view that the trade imbalance is unsustainable and if unchecked, poses a serious challenge to future trade and investment relations between the two countries.

[5] Source: Uganda Bureau of Statistics

5.5 Perception of Quality of Imports from South Africa

80% of the enterprises interviewed, indicated that South African suppliers maintain high quality product standards. None of the companies reported any negative experiences with raw material products, inputs and know how sourced from South Africa. This positive perception with regard to the quality of South African goods and services was echoed by all business associations that were interviewed.

Bruno, Director Membership Services, Uganda Manufacturers Association

"Most of our members are happy with the quality of South African products and services which is good. We have had no reported incidences of substandard or counterfeit goods originating from South Africa. However, South African prices are reported to be rather high when compared to what our members pay in Asia. A number have complained about the price"

In addition, nearly all respondents (90%) expressed the view that South African products, though higher in quality, are relatively more expensive than similar products sourced from the Middle East and Asian countries.

The Uganda National Bureau of Standards officials interviewed were not aware of any incidences involving substandard imports from South Africa. The positive outlook with regard to the quality of South African goods and services contrasts sharply with the negative views expressed by many enterprises with regard to the quality of some imports from the Asia and the Middle East. Many view Asian countries as sources of cheap and substandard products now flooding the domestic market.

However, the Uganda National Bureau of Standards highlighted the growing problem of counterfeit goods, mostly originating from Asia and the Middle East, which is having a strong negative impact on genuine trade, consumer health and choice and the entire business environment. The problem of dumping manufactured counterfeit and adulterated goods is an increasing challenge. Most goods affected originate from Asia and no incident involving South African goods has been reported to the UNBS. Given the growing size of the problem, the officer interviewed could not rule out future incidents involving South African products.

6.0 LEVEL OF WILLINGNESS TO TRADE WITH SOUTH AFRICA

6.1 Knowledge of the South African Market

50% of all enterprises indicated lack of adequate knowledge about the South African market and the full range of goods and services it offers. In addition to this, all the associations interviewed indicated that inadequate knowledge of the South African market continues to constraint their members' capacity to trade with South Africa. This constraint is especially prevalent among the smaller enterprises. Most Ugandan SMEs have not been exposed to dealings with the South Africa businesses and have traditionally focused on the domestic market or traded with Asia, Europe and the immediate region.

6.2 Trade with South Africa

There is growing confidence about South Africa as competitive source of goods and services. 58% of the companies interviewed are currently sourcing their raw materials from South Africa companies. All enterprises indicated willingness to engage in future trade and investment relations with their South African counterparts. There are strong indications that an increasing number of enterprises are becoming more confident about the South African market. None of the companies interviewed are currently exporting to South Africa although, 16% showed willingness to attempt to export to South Africa in future. Table 5 shows South African suppliers to companies interviewed.

21% of the companies interviewed are operating as subsidiaries with their parent companies based in South Africa. When asked about the possibility of setting up businesses in South Africa, 13% of the companies interviewed indicated that

Table 8: Reported Trading Contacts with South Africa

Company	Supplier	Product
Metro Cash & Carry	Met Cash Trading S.A. Tulborg Winery S.A. Delwart Juices S.A.	General Merchandise Wines Juices
Ecolab (U) Ltd	Ecolab South Africa	Formulated Chemical Products
Multichoice (U) Ltd	Multichoice South Africa	Satellite Dishes, Technical Services
Stemstat Ltd.	Multichoice South Africa Phillips South Africa Space TV	Satellite TV equipment
Movit Products	Croda Chemicals S.A.	Petroleum products
Premier Security Services		Security gadgets
Graphics Systems	SAPPI S.A. Zimstone S.A.	Signage materials
Makss Packaging	Garrec Engineering S.A. FIRN Pty	Spare parts (Machinery)
Uganda Clays	North Safety Systems	Dust Masks
BPC Ltd	Uniresins S.A.	Resins for paint manufacturing
Shumuk Aluminium	Metmar Trading S.A.	Aluminium ingots
Shoprite Checkers	Shoprite South Africa	Food and non-food products
Game Discount World	Game Discount World, South Africa	Food and non-food products
Nice House of Plastics	Performance South Africa	Master Batch

they will in future attempt to start businesses South Africa while 25% were not sure and 41% saw it as impossible.

6.3 Joint Ventures with South Africa Companies

Only 17% of the companies interviewed are currently in joint ventures partnerships with South African Companies. However, 50% of those that are not in joint ventures said that they would be willing to form joint ventures with South African Companies. 25% indicated that they were not willing to enter joint venture relationships while 8% were not decided.

6.4 Distributorship, Licensing & Technology Transfer

42% of the companies interviewed have distributorship, licensing & technology transfer arrangements with South African companies. A total of 85% of companies currently without distributorship arrangements with South African counterparts expressed willingness to enter into such arrangements whereas 4% were not sure and 11% were not interested.

6.5 Incidences of non-responsiveness by South African Suppliers

Non – responsiveness by South African companies was cited as a key factor that seems to constrain trade & business relations. Three of the business associations interviewed indicated that on many occasions, South African enterprises have not been responsive to their members when contacted for business. This especially happens in instances when a local business expects a fast response to a business enquiry. The business associations further indicated that a number of South African businesses seem to have adopted the attitude that dealing with Ugandan enterprises is difficult and hence the non responsiveness. However, when probed further, the three associations agreed that the reason for this apparent poor responsiveness could be a result of limited understanding of the respective markets by both South African & Ugandan operators.

> ***Charles Kareba, Chairman, Uganda Freight Forwarders Association***
> "There are instances where South African Enterprises have adopted a take it or leave it attitude. One of my members had a machinery breakdown on a Friday, and urgently requested for a quotation. Because his South African supplier was taking his family for a weekend outing, he was advised that the matter would be handled in the new week. Japanese or Asian suppliers can not respond this way to an emergency**"**

All the three respondents were of the opinion that creating confidence and improved responsiveness among South African suppliers is urgent and a responsibility of government, associations and business enterprises. Improved exchange of information between operators in both the Ugandan and South African markets could be an effective way forward. All associations and enterprises interviewed recognise that South African – Uganda Business Association has done a significant job in promoting a good business atmosphere between Uganda and South African businesses.

7.0 COSTS INVOLVED IN THE IMPORTATION PROCESS

Due to Uganda's landlocked nature, enterprises face significant importation costs. Most of Uganda's imports are channelled through the main sea ports of Mombasa (Kenya) and Dar-es-salaam (Tanzania) using 4 main routes[6]. The quality of transportation infrastructure, including both roads and railways, is relatively poor and prone to breakdowns. High clearing, handling and transportation cost from the Mombasa and Dar es Salaam affects the majority of businesses engaged in importation. According to the Chairman, Uganda Freight Forwarders Association, Mr. Charles Kareeba, clearing and transporting a 20 ft container from Mombasa to Kampala takes an average of 21 days and costs between US $ 2400 – 2600[7]. In addition, it takes an average of 6 days to ship a 20 ft container from Durban to Mombasa. The shipping costs range between US $ 600 – 900 depending on cargo type and terms.

60% of the enterprises interviewed expressed concerns about the efficiency of Uganda's infrastructure supporting international trade. All the associations cited the persistent problem of cargo congestion at both Dar es Salaam and Mombasa ports which often results in costly delays in cargo clearing and transportation. The high clearing and transportation costs therefore remain significant. The recent concessioning of the Uganda – Kenya railways to a South African operator, Rift Valley Railways Consortium, promises significant improvements in capacity and quality of service.

This point was aptly illustrated by Mr. Charles Kareba who notes that while it took 4 days to clear and transport a container from Mombasa to Kampala in 1976, 40 years later it takes an average of 21 days to clear and transport the same container.

One of the large importers interviewed, Metro Cash & Carry, indicated that they have faced persistent logistical challenges while importing from South Africa. The Company's operations manager noted that "It is very expensive to truck goods to Durban, ship to Mombasa and then transport to Kampala and South Africa. We often end up facing demurrage costs when notification with regard to status of our import goods is delayed. Management of export logistics and documentation in South Africa is some what inefficient when compared to importation from Asia which, in most cases, has both cost and logistical advantages". However, this constraint seems to be specific to this company. None of the other companies interviewed indicated serous logistical and cost challenges when trading with South Africa.

[6] The four routes include: (i) Mombasa - Kampala railway route (1,331 km), (ii) Mombasa - Malaba - Kampala road route (1,170 km), (iii) Mombasa - Kisumu - Kampala railway/lake route (1,148 km), and (iv) Dar es Salaam – Mwanza – Kampala -Railway/road route (1680 km).

[7] This is an all inclusive fee covering clearing, handling and transportation charges.

8.0 REGULATORY REQUIREMENTS FOR IMPORT TRADE

The customs function in Uganda is administered by the Uganda Revenue Authority (URA). All businesses registered in Uganda are required to register with the Internal Revenue Department of the URA before beginning operations. The main customs legislation is the East African Customs Management Act 2004. Other laws governing customs procedures and regulations include the Customs Management Act (1970) and the Value Added Tax (1996). The East African nomenclature, which is founded on the International Harmonised System (HS) for the classification of imports, applies in Uganda. All raw materials imported into Uganda are bonded on entry pending payment of taxes and duties.

Richard Kamajugo, Assistant Commissioner for Trade & Customs, URA

"Our focus is on minimising regulatory and non regulatory barriers to trade. We have signed a MoU with the South African Revenue focusing on information exchange, issues of product standards and trade formalisation. This will help us further improve the quality of our service offering with regard to trade with South Africa."

The lack of or insufficient use of automated processes and information technology has in the past been a major source of delays, costs and inefficiencies, as paper documents were usually presented at the time of border crossing, and verification of the information submitted takes place at that time. Uganda has recognized the need to simplify and speed up customs procedures by use of automated systems and introduced the use of the Automated System for Customs Data (ASYCUDA).The customs management system has been progressively computerized using ASYCUDA and licensing agents are now an integral part of the system. Agents are required to enter electronic information at terminals located in designated customs areas.

Table 9: Import Licensing Process for Drugs

1. Regular importers apply to NDA for import permits.
2. Importing pharmacy obtains an invoice and uses this to fill an application for verification.
3. For drugs already registered with NDA, a verification certificate is issued. The importer can then make an order to import using this certificate.
4. For non registered drugs, the importer applies for special import license for which a fee is paid. The verification certificate is subsequently issued with a covering letter.
5. Drugs imported under special circumstances often do not have a verification certificate prior to their importation (i.e. emergency drugs). Such a consignment is held at the port of entry pending issuance of a verification certificate and issue letter.

Special licenses are required for specified imports before URA can process them. All importers of human and animal drugs must obtain a license from the National Drugs Authority (NDA). Ministry of Agriculture, Animal Industry and Fisheries (MAIF) licenses agricultural imports including planting materials, seeds and others. Arms and security equipment are licensed by the Ministry of Internal Affairs.

Uganda utilizes a singe administrative document (SAD) form for all imports. Therefore the importer or agent is required to complete the goods declaration SAD and attach the following documents:

- Transit documents from the seaport
- Bill of Lading or airway bill & Commercial invoices
- Packing list & Certificate of origin
- Certificates (eg.phyto-sanitary certificates for plants and NDA certificates for drugs)

8.1 Import taxes

Imports are subjected to the following taxes. A three-band Common External Tariff structure of 0%, 10%, and 25% applies to all goods imported into East Africa. A selected list of sensitive items attracts rates above 25% as an additional protection measure for similar locally produced products. Uganda secured a 5 year exemption on the coming into force of the East African Customs Union. This means that most industrial raw materials for the formal manufacturing sector are imported are duty free.

Members of COMESA and SADC enjoy preferential market access when exporting their goods and services to Uganda. Value added tax has been harmonized at 18% Withholding of 4% tax is levied against all importers that are not listed as income tax payers. Also payable is an import license commission amounting to 2%. Excise duty is also payable for a number of products including alcoholic beverages, tobacco products and others

9.0 TRADE & INVESTMENT OPPORTUNITIES FOR SOUTH AFRICAN SMES

South African firms are already heavily investing in Uganda and one does not need to look far to notice South African investments in Uganda in the communications sector, banking, power and import/export/retail trade in form of large-scale supermarkets and other areas. Recognizing the growth potential of trade & investment relations, Uganda & South Africa have entered into a joint trade agreement which focuses on specific sector agreements covering private sector promotion, standards, export promotion, tariff reduction, investment promotion or banking.

According to the Uganda Investment Authority, South Africa ranks among the top 5 sources of direct foreign investment. The nearly 100 companies that have invested in Uganda have built a strong track record of dynamism and successful business performance. Five of the top 10 tax payers in 2006 were companies associated with South Africa.

Uganda's young economy presents a wide array of investment opportunities for South African HDEs. There are no restrictions to 100% foreign ownership of investments and no barriers to remittance of dividends. The shilling is fully convertible and has remained stable over the last decade. Uganda has overcome foreign exchange shortages that continue to affect many African countries. Government has liberalized capital account transactions and the exchange market if fully liberalized. There are no restrictions on capital transfers. Over the last 15 or so years, Government policy has emphasized the primacy of markets and the private sector in Uganda's economic development.

From the regulatory perspective, all investment activities are guided by the Investment Code 1991 which aims to create and strengthen a favourable investment climate. The code allows investment all areas of the economy except those that affect national security. There are also some minor restrictions on land

Table 10: Uganda's Investment incentives

Investment Capital Allowances

- Initial Allowance on plant and machinery	50-75%
- Start up cost spread over 4 years	25% p.a.
- Scientific research expenditure	100%
- Training expenditure	100%
- Mineral exploration expenditure	100%
- Initial Allowance on Hotel & Industrial Buildings	20%

Deductible annual Allowances (depreciable assets)

Depreciation rates of assets range	20-40%
Depreciation rate for hotels, industrial buildings & hospitals	5%

Investors who register as investment traders are entitled to VAT refund on building materials for industrial & commercial buildings

Duty and Tax free import of Plant & Machinery

First Arrival Privileges in the form of duty exemptions for personal effects and motor vehicle (previously owned for at least 12 months) to all investors and expatriates coming to Uganda

Export Zones (Provisional)

- A ten year corporation tax holiday.
- Duty exemption on raw materials, plant and machinery and other inputs.
- Stamp duty exemption.
- Duty draw back to apply on input of goods from domestic tariff area.
- No export tax.
- Exemption of with holding tax on interest on external loans.
- Dividends repatriated to get relief from double taxation.

Source: Uganda Investment Authority

ownership.

Despite the energy, infrastructural and regulatory constraints already outlined, Uganda's economy still presents excellent opportunities for HDEs. Uganda Investment Authority has identified over 24 product and service lines ideal for foreign investment as shown in Table 8.

Table 11: Investment Opportunities in Uganda

	Product or service category
1	Building & construction
2	Cotton and textiles
3	Dairy products
4	Edible oil
5	Education services
6	Energy – including renewable energy
7	Fish & fish farming
8	Financial services
9	Floriculture
10	Foods & beverages
11	Forestry
12	Fruits and vegetables
13	Health care
14	ICT: call centers, data centers, e-translation
15	Iron & steel
16	Lather
17	Livestock
18	Medical Services
19	Metal & metal products
20	Mining
21	Packaging
22	Pharmaceuticals
23	Storage
24	Transport
25	Tourism - including eco-tourism, adventure tourism, culture and conferences

Source: Uganda Investment Authority

Opportunities in the agricultural sector include production of fruits, vegetables, spices, cut flowers, oil seeds, cereals and pulses, and essential oils. With regard to animals and animal products, there are opportunities in fish farming and processing, beef and cattle by products.

In the industrial sector opportunities exist in drinks and tobacco industry, food processing, textiles clothing and footwear, paper products, chemical products, pharmaceuticals, building materials, wood and wood products and metal products. Other areas include petroleum industry, telecommunications, freight forwarding and medical services.

Provision of utility services is an attractive growth area for investment. This includes provision of energy - especially energy from renewable sources. Government, through the Energy for Rural Transformation initiative, is providing incentives for enterprises interested in investing in small hydro power generation and other renewable energy sources. Limited commercialisation has been introduced with regard to the provision of water services. Investment opportunities in this are include borehole drilling, supply of water treatment equipment and materials.

According to the Uganda Investment Authority (UIA), a Reciprocal Investment Promotion and Protection Agreement between South Africa and Uganda was signed in 2000. Since then, Uganda has regularly initiated an increasing number of both inward and outward investment promotion missions targeting South Africa. Currently, UIA is working with the South African national investment promotion agency (Trade and Investment South Africa) on an investment promotion to focus on the Free State, Eastern Cape and Mpumalanga provinces. UIA is also working closely with the Durban Trade Board and Kwazulu Natal Trade Board on investment promotion. According to the UIA, these initiatives have essentially focused on networking and information sharing.

APPENDICES

Appendix 1: Government ministries and agencies contacted for the study

No	Ministry, Agency	Address	Telephone
1	Ministry of Agriculture, Animal Industry and Fisheries. Mr. Deus Muhwezi, Assistant, Commissioner, Agri Business.	P.O. Box 102, Entebbe - Uganda	0414-320003/320050 0772-501761
2	Ministry of Tourism, Trade & Industry Mr. J Amai, Assistant Commissioner, Trade. Mr. Immanuel Mutahunga, Senior Trade Officer.	3rd Floor, Farmers House, Parliament Avenue, P.O. Box 7103 Kampala	0414-343947
3	Ministry of Finance, Planning and Economic Development Mr. Longino Tisasirana, Assistant Commissioner Economic Affairs	3rd Floor, Finance Building, P.O. Box 8147, Kampala	0414-707219
4	Uganda Investment Authority(UIA) Mr. Issa Mukasa, Director Investment Promotion. Ms. Prossie Nakawuki, Investment Officer.	The Investment Center, Plot 28 Kampala Road, P.O Box 7418, Kampala.	Tel: 0414-301000
5	Uganda Bureau of Statistics, Mr. Seth Mayinza, Director Industrial, Business, Agricultural and Energy Statistics.	7th Floor, Statistics House, Nile Avenue, Kampala	0414-322099/100/01
6	Uganda Revenue Authority Mr. Richard Kamajugo, Ast. Commissioner, Trade, Customs & Excise Department	8th Floor, Crested Towers, P.O. Box 7279 Kampala, Uganda.	Tel: 0414-317200
7	National Drugs Authority Mr. Mbazira Hosa, Inspector	46-48 Lumumba Avenue, P.O. Box 23096, Kampala	0414-255665, 347391
8	Uganda National Bureau of Standards Mr. Patrick Ssekitoleko, Head, Standards Development Division.	Plot M 217, Nakawa Industrial Area, P.O. Box 6329, Kampala.	0414-222367
9	Dairy Development Authority Dr. David Balikowa, Project Manager,	Plot 1, Kafu Road, P. O. Box 34006, Kampala	0414-343901/343903 0772-777719
10	Uganda Export Promotion Board Mr. Ben Naturinda, Director Information Services	5th Floor, Conrad Plaza, Plot 22 Entebbe Road, P.O. Box 5045, Kampala.	0414-230250/233

Appendix 2: Business Associations contacted for the study

No	Association	Address	Tel
1	Enterprise Uganda Ms. Rosemary Mutyabule	38, Lumumba Road, P. O. Box 24581, Kampala	0414- 251810/343204
2	Private Sector Foundation Uganda Mr. Robert Kyukyu, Manager, Business Uganda Development Scheme (BUDS).	43, Nakasero Hill Road, P.O. Box 7683, Kampala.	0414-230956/985 342163,
3	Uganda Manufacturers Association Oketcho Joseph Obunga, Director, Membership Services	Lugogo Show Grounds, P.O. Box 6966, Kampala	0414-287615/2, 221034
4	Uganda Small Scale Industries Association Mr. Abdul Buwembo, Administrator	Lugogo Show Grounds, P.O. Box 7725, Kampala	0414-574527 0782-676372
5	Uganda Fish Processors and Exporters Association (UFPEA) Ms Ovia Matovu, Executive Director	1st Floor, Room 7, Agip House, P.O. Box 24576, Kampala Uganda.	0414-347835

Appendix 3: Enterprises contacted for the survey

No	Enterprise	Address	Tel
1	Graphic Systems (U) Ltd Mr. James Kayizi, Deputy Manager - Accounts.	Plot 8, Buvuma Road, Port Bell - Luzira, Kampala.	0414-504504/504501
2	StemSat Ltd Mr. Steven Kiwanuka, Managing Director	Plot 7, Bombo Road, Antlers Building, P. O. Box 8370, Kampala	0414-251077 0712-768202 0772-768202
3	Premier Security Systems Ltd Mr. Patrick Olong, Operations Manager.	Plot 7, Norfolk Garden, Kyambogo Lower Estate, P. O. Box 5088, Kampala	0414-286334 0752-486334
4	Skyline Signs Uganda Mr. Odonga Joseph, Managing Director.	Plot 41, 8th Street, Namuwongo Road, P. O. Box 6675, Kampala	0414-347540
5	ECOLAB Mr. L.B. Zikanga, Territory Manager.	Plot 78, 6th Street, Industrial Area, P. O. Box 24772, Kampala	0414-341792/3
6	Metro Cash and Carry Mr. Jeff Nchaga, Finance Manager.	Lugogo Show Grounds	0414-550636 0312-2261945
7	Fresh Cuts	Plot 311, Entebbe Road, Seguku	0414-200198
8	Vita Foam (U) Ltd Mr. Bulinda, Executive Director.	Lugogo Show Grounds, Kampala.	0414-221032
9	UKI (U) Ltd Mr. Timothy Ediomu, Company Secretary.	Plot 13, 1st Street, Industrial Area, Mukta Plaza	0414-235664/232705
10	Makss Packaging Industries Owolo Dues, Human Resource Manager.	Plot 41, Mukabya Close, Nakawa Industrial Area, Kampala.	0414-286544/5/6/8
11	Phenix Logistics (U) Ltd Mr. Paul Kagumire, Marketing Manager.	Plot 100-102, 5th Street, Industrial Area, Kampala	0414-344227
12	MBS Fruit Agencies Ltd Mr. Miggade Robert, Managing Director.	Sembule Zone, near Mutesa II Stadium, Wankulukuku, Bunnamwaya Road	0414-270919 0772-427428
13	Anik Industries Ltd	91/97, 7th Street, P. O. Box 23124, Kampala	0312-261500
14	Afroplast Enterprises Ltd Mr. V.M Shah, Managing Director.	Plot 19-33, Port Bell Road, Luzira	0414-505926 0392-221145
15	Uganda Clays Ltd Mr. Rubaijaniza Charles, Company Secretary.	13km on Kajjansi-Entebbe Road.	0414-200255
16	BPC Chemicals Ltd Mr. Ashwin Patel, Director.	Plot M/264, Neptune Industrial Area, near Britannia, P. O. Box 10356, Kampala.	0414-342571/346545
17	Shumuk Aluminium Industries Ltd	Plot 24, Mukabya Road,	0414-

	Mr. Mukesh Shukka, Managing Director.	P. O. Box 6552, Kampala	505974/286282
18	Shoprite Checkers (U) Ltd	Ben Kiwanuka Street, P. O. Box 34015, Kampala	0312-228100 0312-228210
19	Game Discount World (U) Ltd Mr. Edwin Kateregga, Administration/Operations Manager.	Plot 1-7, Lugogo Show Grounds, Lugogo By-pass	
20	Nice House of Plastics Ms Betty Kiguli, Manager.	75B, Mulwana Road, P. O. Box 5961, Kampala	0414-343357
21	Multichoice (U) Ltd Mr. Hamya Charles, General Manager.	Plot 95, Buganda Road, P. O. Box 2373, Kampala	0414-330214 0312-245214
22	Avo Machinery Ltd, Mr. Edward Mutebi, Administration & Marketing Manager.	Plot 69, Nkrumah Road, Kampala	0312-263283 0414-234511
223	Standard Signs Uganda Mr. Omara Geoffrey, Chief Executive Officer.	Kasokoso Road, Bweyogere, after Nambole Stadium, P. O. Box 23545, Kampala.	0414-234635 0312-643340
24	Sameg Chemical Products Mr. Sam Rugambwa, Managing Director.	Plot 35/37 Bokasa Road, Namuwongo, Kampala.	0414-235874 0772-502356
25	Movit Products Ltd Mr. Francis Sejohn, Chief Accountant.	Zana – Bunamwaya, Entebbe Road, P. O. Box 27109, Kampala	0392-736801

Appendix 4: Investment and trade contacts

	Immigration Department P.O. Box 7165 Kampala, Uganda Tel: 256-414-231031/231641 Fax: 256-414-231188 www.immigration.go.ug		Uganda Investment Authority The Investment Centre Plot 28, Kampala Road P.O. Box 7418 Kampala, Uganda Tel: 256-414-301000 Fax: 256-414-342903 E-mail: info@ugandainvest.com
	Ministry of Finance Planning & Economic Development Nile Avenue, Box 8147, Kampala Tel: 256-414-707000 Fax: 256-414-230163 Email: finance@starcom.co.ug		Ministry of Justice P.O. Box 7151 Kampala, Uganda Tel: 256-414-233135/230537-9 Fax: 256-414-232135/254829 E-mail: mojca@infocom.co.ug
	Privatisation Unit P.O. Box 10944 Kampala, Uganda. Tel: 265-41-230300/256467 Fax: 235-414-259997 Email: info@perds.go.ug		Uganda Export Promotion Board P.O. Box 5945 Kampala, Uganda. Tel: 256-414-256107, 230233,230250 Fax: 256-414-259779, E-mail: uepc@starcom.co.ug
	Uganda Manufacturers Association P.O. Box 6966 Kampala, Uganda. Tel: 256-414-221034/220831 Fax: 256-414-220285 E-mail: uma@starcom.co.ug		Uganda Tourist Board, P.O. Box 7211 Kampala, Uganda. Tel: 256-414-342196/7 Fax: 256-414-342188 E-mail: utb@starcom.co.ug
	Federation of Uganda Employers P.O. Box 3820 Kampala, Uganda. Tel: 256-414-220201 Fax: 256-414-221257 E-mail: fue@infocom.co.ug		Uganda National Chamber of Commerce and Industry P.O. Box 3809 Kampala, Uganda. Tel: 256-414-343847/258791-2 Fax: 256-414-258793 E-mail: uncci@uol.co.ug
	Private Sector Foundation Uganda 43, Nakasero Hill Road, P.O. Box 7683 Kampala, Uganda. Tel: 256-0414-342163,230956/85 E-mail: psfu@psfuganda.org		Ministry of Tourism Trade & Industry 3rd Floor, Farmers House, P.O. Box 7113 Kampala, Uganda. E-mail: ps@mtti.go.ug www.mtti.go.ug
	Uganda National Bureau of Standards Plot M 217, Nakawa Industrial Area, P.O. Box 6329 Kampala, Uganda. Tel: 0414-222367		Enterprise Uganda Plot 38 Lumumba Avenue, Nakasero, P.O. Box 24581 Kampala, Uganda. Tel: 0414-251810,343204 info@enterprise.co.ug
	Uganda Revenue Authority(URA), 8th Floor, Crested Towers, P.O. Box 7279 Kampala, Uganda. Tel: 0414-317200		National Drugs Authority Plot 46-48 Lumumba Avenue, P.O. Box 23096, Kampala. Tel: 0414-25566 www.nda.or.ug

	Ministry of Agriculture, Animal Industry & Fisheries (MAAIF) P.O. Box 102 Entebbe, Uganda Tel: 0414-320003,320050,323791 www.agriculture.go.ug		Uganda Small Scale Industries Association Lugogo Show Grounds, P.O. Box 7725 Kampala Tel: 0772-486024, 0782-676312 E-Mail: usiasecretariat@yahoo.com
	South High Commission, Plot 15A Nakasero Road. P.O. Box 22667 Kampala, Uganda. Tel: 256-0414-343543/4/6 E-mail: sahc@utlonline.co.ug		

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